

Neighborhood Stabilization Program (NSP) Down Payment Assistance Program

Summary: Provides up to a \$20,000 forgivable loan to households earning between 50 and 120 percent of the area median income to purchase and live in a foreclosed house in a targeted area. There are 3 targeted areas, one in each jurisdiction: [Stead](#), [Sparks'](#) core, and [Sun Valley](#).

Qualifications Criteria:

1. A first time homebuyer as defined by HUD.
2. Purchasing a vacant and foreclosed home in a target at not more than 99% of the current appraised value.
3. Household annual income between 50% and 120% of area median income.
4. Qualify for a fixed-rate mortgage to purchase a home; terms must be approved by program staff.
5. Requires a personal down payment of at least 3.5% of purchase price from personal funds. Preference will be given to households with 20% of the purchase price available for a down payment from sources that do not add to the household's active repayable debt.
6. Stable or increasing income history for at least the past 24 months.
7. Overall after purchase debt-to-income ratio not more than 40 percent.
8. Successful completion of 8 hour HUD-certified homeowners' training (Consumer Credit Affiliates or other approved organization).

Terms of Assistance:

1. Qualified buyers may receive up to \$20,000 to acquire a previously foreclosed and occupiable home that is classified as real property.
2. Purchase of the home must not exceed 99% of the current appraised value.
3. Funds may be used for a down payment, closing costs or to buy points.
4. Buyer must occupy the home as the primary residence throughout the period of affordability (15 years).
5. Assistance will be forgiven over the 15 year period of affordability at a rate of 1/3rd every 5 years, on the anniversary of the loan, so long as the property remains the buyer owns and occupies the home.
6. If the property is sold or no longer serves as the primary residence during the 15 year affordability period the balance of the loan will be due and payable in full at that time.
7. Homes must be inspected and approved by program inspectors before assistance may be provided or closing can occur.
8. Assistance with minor repairs necessary to acquire a home may be available.
9. Assistance will be provided on a first-come, first-serve basis upon and:
 - a. Determination of eligibility,
 - b. Documentation of availability of required personal funds,
 - c. Certificate of completion of required homebuyer course,
 - d. Identification of an approved home, and
 - e. Qualification for an approved loan.